

# INDO-GULF TRADE

THESIS SUBMITTED  
FOR THE DEGREE  
OF  
DOCTOR OF PHILOSOPHY  
IN  
COMMERCE

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## *Certificate*

It is certified that the thesis entitled "INDO-GULF TRADE" for the award of the degree of Ph.d. in commerce has been prepared by Sh. Mohammed Abdul Hai, Asstt. Professor, Deptt. of Business Finance & Economics, Faculty of Commerce under my supervision. This thesis is not substantially the same as any other thesis submitted for any degree or diploma at any university in India and abroad. To the best of my knowledge, the work carried out by him is an original piece of work and denotes new approach to the subject.

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## PREFACE

Mounting external debt has put India into a very precarious situation. This is largely due to increasing trade deficit. In this critical scenario, Indian economy can safeguard its integrity through paying more attention on the front of international trade. Only through enhanced volume of export, economy could be salvaged.

It is true that India's huge trade deficit is mainly due to heavy import of PDL. This has become the single largest item of India's total import. This is mainly imported from the oil exporting countries of Gulf region. India has mostly suffered its problem of increasing deficit with this region. There was a time, when India used to have surplus trade with most of the countries of the region and region as a whole. In the pre-oil boom period also India's total import from the region was only 1.9% of its total imports in 1970-71 which has now reached to a substantial level of 18.4% in 1991-92. India's export also registered an increasing trend but at a slow rate during the same period, it rose from 3.2% in 1970-71 to 7.3% in 1991-92. This clearly indicate the magnitude of trade deficit with this region.

If India by all means could be able to balance its trade with this region India's major problems of trade deficit and balance of payment could be solved.

In order to address this noble task, the present study is an attempt to analyze various aspects of India's trade with six Gulf countries namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates. These countries have also organised them selves by forming Gulf Co-operation Council (GCC) in May 1981. Trade relations with all the six countries have been analyzed in terms of direction, composition and relative significance. In order to have a better strategy with this region, an attempt has also been made to examine the major trends of foreign trade of these countries. A critical assessment of the problem faced by Indian export community in export marketing has also been made and remedial measures have been suggested to overcome those problem. In the study, trade prospects with this region particularly in the fields of export of thrust products; services like manpower export, banking, insurance, tourism, health, education, shipping, housing, rural development, research and development, science and technology training facilities, operation and maintenance and management; project export; consultancy services; joint ventures and third country collaboration have been dealt in order to tap these areas and earn huge foreign exchange earnings that could offset the trade deficit.

Area of aid, grants loans and investment is a neglected area. Now in the new regime of liberalized economic policies of the Govt. of India, India could expect a better future in this regard.

In the last, a series of recommendations are made to boost trade and economic co-operation between the two regions.

Undoubtedly, if this region is given due importance in India's global perspective, policy of adhocism and indecisiveness is abandoned and serious, sustained and well co-ordinated efforts are made, India can materialize the immense potentialities of the region.

In completion of the study, I have been benefited by the moral help, practical support, academic contribution and sustained encouragement of many persons and institutions. I feel my duty to express a word of thank to all of them who in any form helped me.

I specially, express my thanks and gratitude to Prof. V.N. Hukku, former, Dean and Head faculty of commerce and management studies, Dr. S.C. Sharma, Associate Professor, Deptt. of Bus. Adm., J.N. Vyas, University of Jodhpur, Prof. Erij Mohan and Prof. V. Ramachandriyah of Indian Institute of Foreign Trade, New Delhi, for their academic support and valuable suggestions.

I am also thankful to the Librarians and other staff of the following Libraries for their co-operation.

- (i) Post Graduate Commerce Library, J.N. Vyas, University Jodhpur.

- (iii) Indian Institute of Foreign Trade Library, New Delhi.
- (iii) FICCI Library, New Delhi.
- (iv) ICSSR Library, New Delhi.
- (v) India Trade Promotion Organisation Library, New Delhi
- (vi) West Asian Studies Society, Library, Aligarh.
- (vii) Sapru House Library, New Delhi.

I express my deep sense of gratitude to my teacher and research supervisor, Professor S.J. Lalwani, Dean, Faculty of commerce and management studies and Head, Deptt. of Bus. Finance and Economics, J.N. Vyas University, Jodhpur, for his constant encouragement and guidance during the course of this study. His motivation and understanding have proved to be valuable asset to me.

I am also grateful to my father Maulvi Abdus Sattar Sahib and mother Khatoon for their "Dua" and to my wife Rukhsana for her patience and encouragement.

I express my profound sense of thanks, gratitude and "Shukr" to Almighty Allah, by the mercy of him, I could be able to complete the study.

Date : April 5, 1993.

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